

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2019-290-WS

IN RE:)	<u>RESPONSE OF SOUTH CAROLINA</u>
Application of Blue Granite Water)	<u>DEPARTMENT OF CONSUMER</u>
Company for Approval to Adjust)	<u>AFFAIRS TO BLUE GRANITE</u>
Its Rate Schedules and)	<u>WATER COMPANY'S MOTION</u>
Increase Rates)	<u>FOR AN ORDER LIFTING THE</u>
		<u>STAY ON THE IMPLEMENTATION</u>
		<u>OF RATES UNDER BOND</u>

The South Carolina Department of Consumer Affairs (“Department”) submits this response to Blue Granite Water Company’s (“Blue Granite” or “Company”) Motion for an Order Lifting the Stay of Implementation of Rates Under Bond (“Motion”). While the Department does not oppose the Motion for reasons previously stated and as discussed further below, we do believe there are important procedural and logistical issues the Commission should consider before ruling.

On December 9, 2020, the Commission issued a Directive allowing the parties to comment on when the accounting order should be terminated. On January 4, 2021, the Department responded stating the accounting order should remain so long as the stay on implementation of rates under bond is in effect. We further noted the stay on the implementation of rates under bond should remain in effect so long as a State of Emergency is in effect. These responses were consistent with our prior position that a stay was needed to spare Blue Granite’s customers from further rate increases during the COVID-19 pandemic and associated economic crisis. We do not know, but are hopeful, that the company’s customers are in a better financial position now than they were when the Commission issued the stay in August 2020.

While we continue to believe Blue Granite, given its nearly \$30 million revenue requirement collected from 28,300 customers, is, and was, in a better position to absorb the financial effects of the pandemic than those customers, we acknowledge the Governor's declared State of Emergency has lapsed. However, oral arguments in Blue Granite's appeal were heard by the Supreme Court on June 15, 2021. The timing of the Court's opinion and its contents are unknown, but due to the Court's calendar and issuance of opinions in similar cases, it is likely to be issued in the next few months. Therefore, the Department is concerned with the potential accounting issues and customer confusion that may arise should the Supreme Court issue an opinion resulting in further rate changes in the midst of the Company's implementation of rates under bond.

As such, if the Commission is inclined to grant the Company's Motion, the Department respectfully requests it consider:

- the need for any additional recordkeeping to account for potential impacts from the Supreme Court's opinion;
- if Blue Granite can effectively and expeditiously reverse the increase if needed and how those changes would be implemented (e.g., a refund versus a bill credit); and
- whether notice of potential future rate changes is required at this time and, given the typical billing insert constraints, how Blue Granite might communicate those potential changes without creating additional costs for its customers.

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Respectfully submitted,

S.C. DEPARTMENT OF CONSUMER AFFAIRS

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Columbia, South Carolina